

United States Department of Agriculture



Natural Resources Conservation Service
1201 NE Lloyd Blvd., Suite 900
Portland, OR 97232-1279

March 19, 2007

OREGON BULLETIN OR440-2007- 4

SUBJECT: PGM – VERIFICATION OF RECORDED OPEN OBLIGATIONS BETWEEN PROTRACTS AND FFIS FOR FY2003 EQUIP CONTRACTS

ACTION REQUIRED BY: March 27, 2007. Furnish signed copy of **Review Statement** and **NRCS-CPA-13 Contract Review (AKA NRCS-LTP-13) Status Review** or **CCC-1200 signature pages** when no Contract Review / Status Review was completed plus detailed spreadsheet with line information annotated. Return spreadsheet file by email to dick.sylvester@or.usda.gov.

ACTION REQUIRED BY: April 20, 2007. Complete Protracts contract modifications for contracts in “ARREARS” status that will have contract lines deleted or moved to subsequent years.

Purpose: To provide each basin with spreadsheets and information to verify obligations in ProTracts and FFIS are correct. Spreadsheets for each Basin were transmitted to Basin Team Leaders under separate cover.

Expiration Date: September 30, 2007.

In response to the findings by Office of Inspector General (OIG) and our own NHQ internal process review, each obligation recorded in ProTracts and FFIS must be reviewed and verified. This review of obligations is required by Department Regulation 2230-001. Since OIG has pointed out deficiencies in our open obligation process, NHQ FMD is requesting documentation and verification for all ProTracts FFIS recorded obligations. Coordination between program, contracting, and financial staffs is crucial to the success of this review and future certifications of the obligation balances by your State Administrative Officer and State Conservationist. **Data used in review of FY2003 ProTracts contracts was generated from ProTracts and FFIS on Monday March 2nd, 2007. FNM has pre-audited lines to the greatest extent possible but final review must be completed at Field Office level.**

PROCEDURES

Program, contracting, and FNM personnel will review unliquidated obligations determine whether delivery of goods or services or performance is expected to occur:

Program (State & Field Office level) and contracting personnel must consider as applicable:

- The period of fund availability;
- The timeliness of delivery or performance;
- The completeness and accuracy of information provided by grant recipients;
- Whether funds have been expended consistent with the percentage of completion; (i.e., whether remaining funds are sufficient to complete the order in accordance with the specifications);
- Justifications for amendments to funding levels;
- Reasons for lack of activity, such as litigation or delay in contract closeout;
- Any provisions of the agreement or contract that may permit or prohibit deobligation or reprogramming; and
- Any other relevant factors, when making a determination.

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- The review should disclose unliquidated obligations for projects that do not have a legal basis or are not properly authorized and supported by appropriate documentation; or, which have been completed but a small amount of funding still remains; or, have not been closed out and no future expenditures are expected.

INFORMATION REQUIRED BY FMD: Using information from above review contracts listed in each spreadsheet tab for your office. The attached spreadsheet contains detailed contract line items and amounts on each obligation balance selected from ProTracts / FFIS Budget Fiscal Year 2003 review. **Contracts are separated into two groups (TABS), "Current" or "Arrears". Extent of audit is dependent upon the group in which the contract resides".** NHQ has changed the requirements on extent of documentation to be furnished based upon the group in which the contract resides.

Access the "Review Statement " tab and print document. Reproduce the document as a "Review Statement" document is needed for each contract in both categories. Follow instructions on Review Statement as it will guide you to the specific information to be completed and documents that must be provided.

Open the header line to show detail lines within the contract the same way as within Protracts. Verify the accuracy of each line in the contract obligation.

If any funds/lines are being retained in a contract, FNM Oregon must furnish valid signed documentation. Follow instructions in the Review Statement. We must scan these documents and place them on CD-ROM. To allow us to scan the REVIEW STATEMENT and NRCS-CPA-13 Contract / Status Review or signature pages, when required please forward them as they are completed. Please send documents to the State Office via FedEx, ATTN: FNM-Annaliese Pollack.

Practices scheduled for 2006 or earlier for contracts in "ARREARS" group that do not show certification or payment are highlighted in tan and must be specifically addressed. Contact participant and determine if practice was installed but unbilled; still valid but should be moved to a subsequent year; or if the practice should be deleted. Due to Fiscal Year (FFIS) versus Calendar Year (ProTracts) for installation, some practices may have been installed but the Producer has not yet provided required bills/documentation. Please annotate spreadsheet accordingly.

- If the practice has been installed but unbilled, indicate in comments the expected date the producer will provide billing data.
- If a practice should be moved to a subsequent year or deleted, indicate in comments section. **Field must complete contract modification no later than April 20, 2007 for these CLIN's.**
- If an open line has now been certified and paid during the interim time between FNM generating documentation on 3/2/07 and the time of field office review, annotate that line was certified and approved for payment on " Date" in comments column .
- If line payment is currently being reviewed for payment show statement "Payment documentation currently under review".

If you have any questions relating to this information, contact Dick Sylvester at 503-414-3217.

//signed//

RICHARD SYLVESTER Budget Officer

Attachments: Transmitted under separate cover

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